

**MEETING OF THE ILLINOIS LIQUOR CONTROL COMMISSION**

**Wednesday, October 16, 2019**

**1:00 pm**

**James R. Thompson Center  
100 W. Randolph Room 9-040  
Chicago, Illinois**

**Meeting Agenda**

- I. Call to Order
- II. Roll call
- III. Approval of Minutes
- IV. Executive Director's Report
  - A. Public Act 100-1050 Implementation
  - B. Legislative Update
  - C. Quantity Discounting Update
- V. Legal Division
  - A. DOR Tax cases
  - B. DOR Defaults
  - C. Appeals
- VI. Public Comment
- VII. Executive Session
- VIII. Closing Remarks

MINUTES OF THE REGULAR MEETING  
OPEN SESSION  
ILLINOIS LIQUOR CONTROL COMMISSION  
SEPTEMBER 18, 2019  
JAMES R. THOMPSON CENTER  
100 WEST RANDOLPH ST. ROOM 9-040  
1:00 PM  
CHICAGO, ILLINOIS

The regular meeting of the Illinois Liquor Control Commission was held at the James R. Thompson Center, Chicago, Illinois 60601 Room 9-040 pursuant to notice.

Call the Roll:

Donald O'Connell, Acting Chairman  
Thomas Gibbons, Commissioner  
Patricia Pulido Sanchez, Commissioner  
Melody Spann Cooper, Commissioner

Also Present:

Chimaobi Enyia, Executive Director  
Thomas Schlenhardt, Associate Director  
Dusanka Marijan, Licensing Administrator  
Les Peterson, Enforcement Director  
Pamela Paziotopoulos, Deputy General Counsel  
Meagan Sharkey, Acting Commission Secretary

I. Approval of Minutes

- a. A motion was made by Commissioner Spann Cooper to approve the release of the minutes of the August 21, 2019 Board Meeting. The motion was seconded by Commissioner Gibbons. The motion was unanimously approved.

II. Director's Report

- a. Director Enyia informed the Commissioners the IL Liquor Control Commission is hosting the College Town Summit on November 14, 2019 in Champaign.
- b. Director Enyia announced the ILCC Newsletter will be distributed later this month.
- c. Director Enyia shared the ILCC has nothing pending in Veto Session.
- d. Sarah Hunger Deputy Solicitor General of the Attorney General's Office presented a review on the Lebamoff case.

### III. Enforcement Division

- a. The ILCC completed 133 SAM compliance checks, 20 failed. Ten compliance checks were repeat violators, 2 violated again. This gives a repeat violator compliance rate of 85%.

### IV. Licensing Division

- a. The percentage of online renewals is 74%, a 7.2% increase from August 2018.
- b. Mrs. Marijan also provided a report of all new licenses issued for August 2019.
- c. In August 2019 the ILCC issued 243 new licenses across all categories.

### V. Industry Education

- a. The total number of BASSET applicants trained in August 2019 was 8,447.
- b. The total number of BASSET applicants in the look up is 281,610.

### VI. Legal Division

- a. A motion was made by Commissioner Gibbons to approve the Administrative Law Judge tax cases recommendations: D.A.S Radler, & CEB Ventures. CEB Ventures recommendation was extended to October 16, 2019. The motion was seconded by Commissioner Spann Cooper. The motion was unanimously approved.
- b. A motion was made by Commissioner Spann Cooper to approve the Administrative Law Judge tax cases recommendations: Pal Joey's Inc. The motion was seconded by Commissioner Gibbons. The motion was unanimously approved.
- c. A motion was made by Commissioner Gibbons to approve the Administrative Law Judge tax cases recommendations: Chicago Prime Steakhouse & Warner's MVP Lounge. The motion was seconded by Commissioner Pulido Sanchez. The motion was unanimously approved.
- d. A motion was made by Commissioner Gibbons to approve the Administrative Law Judge default recommendations. The motion was seconded by Commissioner Pulido Sanchez. The motion was unanimously approved.

- e. A motion was made by Commissioner Gibbons to approve the Appeal dismissal of Justice Social Club 18CA03. The motion was seconded by Commissioner Pulido Sanchez. The motion was unanimously approved.

VII. Public Comment

VIII. Closing Remarks and Adjournment to Hearing

- a. Commissioner Gibbons made a motion to adjourn the meeting. Motion was seconded by Commissioner Pulido Sanchez. Motion unanimously approved.

ATTEST:

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Meagan Sharkey, Acting Commission Secretary



# Illinois Liquor Control Commission

Governor JB Pritzker  
Donald O'Connell, Acting Chairman  
Chimaobi Enyia, Executive Director

100 West Randolph Street, Suite 7-801, Chicago, IL 60601  
300 West Jefferson Street, Suite 300, Springfield, IL 62702

## MEMORANDUM

**TO:** Chimaobi Enyia, Executive Director  
**FROM:** Les Peterson, Chief – Enforcement Division  
**DATE:** October 9, 2019  
**SUBJECT:** Enforcement Monthly Report – (September 2019)

### ACCOMPLISHMENTS

1. Conducted 78 Underage Compliance Checks (UACC). 94% of licensees checked did not sell to a minor.
2. During UACC checks in Peoria and Collinsville, 100% of prior violators refused to sell to Underage Participants (UAPs).
3. Two field supervisors are currently enrolled in the police academy, with an expected graduation date in November 2019.

### STATISTICS

#### Sale of Alcohol to Minor (SAM) Details

There were 4 Underage Compliance Check (UACC) details conducted in September. Detailed information of all establishments that were checked and either passed or failed are available on the ILCC website under News/ Press Releases/ Reports of Most Recent Compliance Check Operations.

- |          |  |
|----------|--|
| 09/17/19 | ILCC and Bloomington Police Department. Underage Participants (UAPs) and buy monies were supplied by ILCC. 20 establishments were checked, 0 prior violators were retested for compliance. There were 2 failures. None were prior violators. |
| 09/23/19 | ILCC and Collinsville Police Department. Underage Participants (UAPs) and buy monies were supplied by West Chicago. 18 establishments were checked, 1 prior violator was retested for compliance. There were 0 failures.                     |
| 09/24/19 | ILCC and Peoria Police Department. Underage Participants (UAPs) and buy monies were supplied by PPD. 20 establishments were checked, 4 prior violators were retested for compliance. There was one failure, but it was not a prior violator. |

09/26/19 ILCC, Decatur Police Department, and Macon County Police Department. Underage Participants (UAPs) and buy monies were supplied by ILCC. 20 establishments were checked, 0 prior violators were retested for compliance. There were 2 failures.

During these 4 details, 78 establishments were checked and 5 failed. 94% of the establishments did not sell liquor to a minor. 5 prior offenders were retested for compliance, 0 violated again. 100% of prior offenders did not sell liquor to a minor.

0 UACC detail are scheduled for October 2019 (as of this report writing date of 10/09/19).

**Underage Participants (UAPs)**

Our roster of UAPs is now at 11. The position is currently posted to allow us to complete the transition to a new method of maintaining our roster.



# Illinois Liquor Control Commission

Governor JB Pritzker  
Donald O'Connell, Acting Chairman  
Chimaobi Enyia, Executive Director

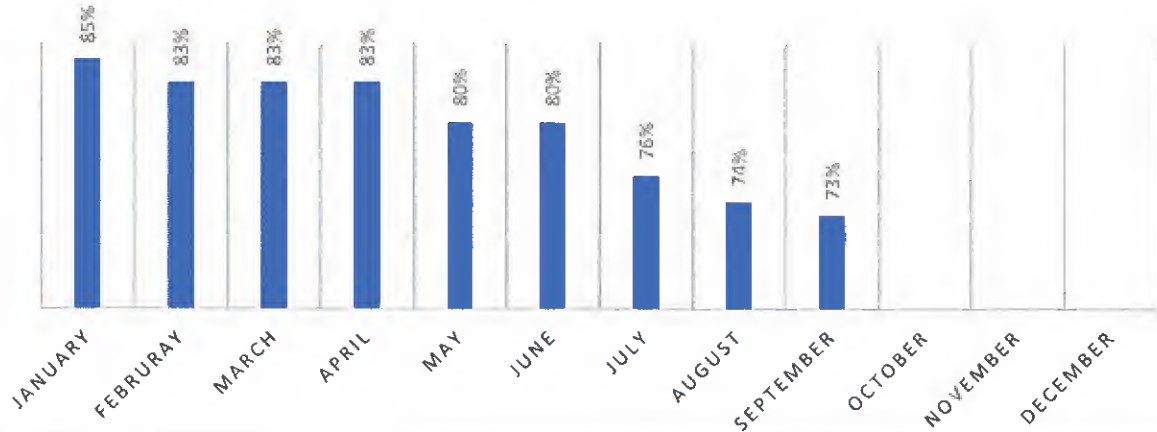
100 West Randolph Street, Suite 7-801, Chicago, IL 60601  
300 West Jefferson Street, Suite 300, Springfield, IL 62702

**TO:** ILCC Chairman/Commissioners/Staff  
**FROM:** Dusanka Marijan/Licensing Administrator  
**DATE:** 10/07/2019  
**SUBJECT:** Illinois Liquor Control Commission Licensing Update

## Licensing Totals

We ran the monthly report for September 2019 (09/01/2019-09/30/2019) and if you subtract the 200 new licenses that were issued from the 2,761 total number of licenses issued in September 2019, we had **73%** of our licensees renew online in September 2019 compared to 70% that renewed online in September 2018. There was a 4.2% increase in the number of online renewals in September 2019 compared to September 2018.

### 2019 ONLINE RENEWAL PERCENTAGES



### 2018 ONLINE RENEWAL PERCENTAGES

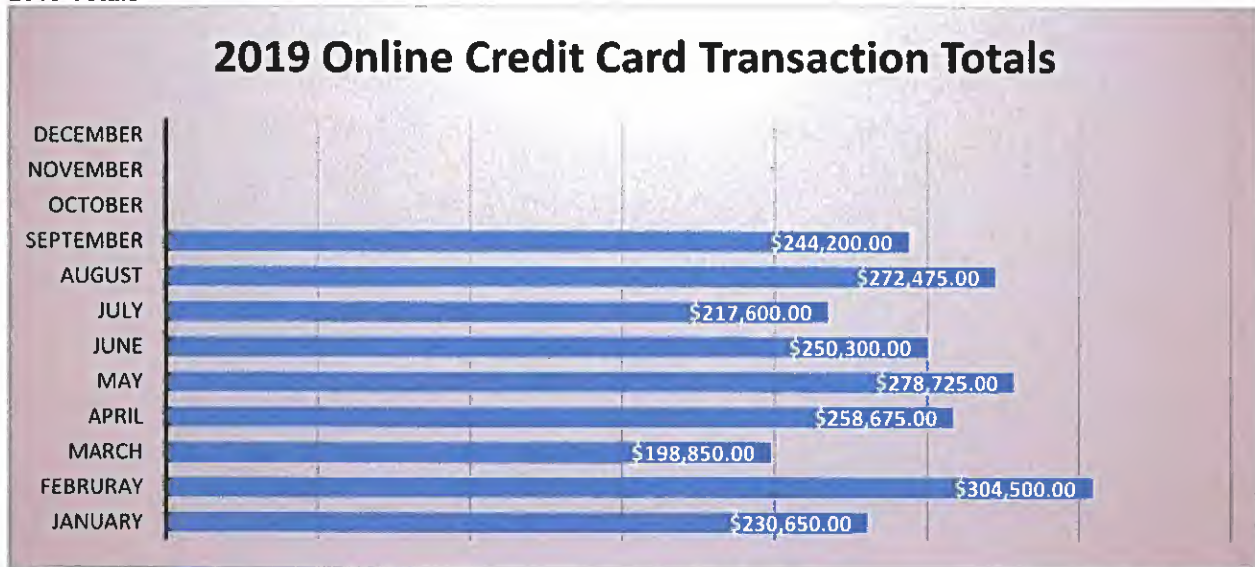




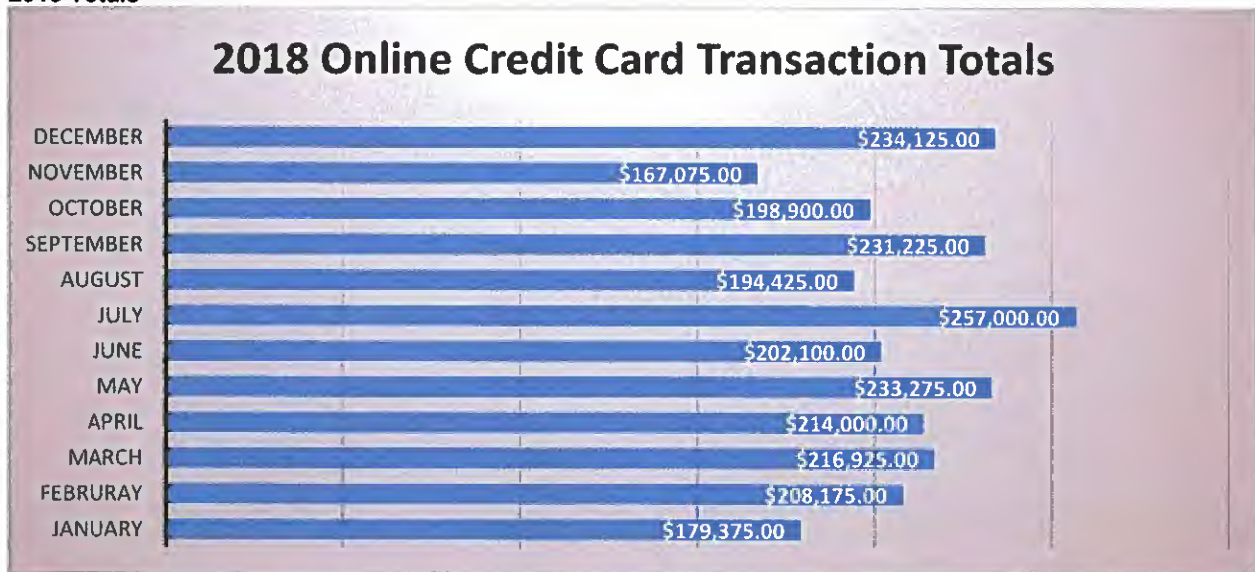
\*The ILCC implemented a "credit card payment" option for all online renewals on 08/04/2016. Prior to 08/04/2016 the only payment option our licensees had when renewing their liquor licenses online was the electronic debit option. Now our licensees can pay with a credit card- credit cards that are accepted are: MasterCard, Discover, American Express or Visa. We had received feedback from our licensees informing us that one of the reasons they were not utilizing the online renewal option was because they couldn't pay with a credit card. We began to research our options and we worked with IDOR IT and the Treasurer's Office to implement this new payment option for our licensees.

During the month of September 2019 (09/01/2019-09/30/2019) we had collected **\$244,200.00** in licensing renewal fees that were paid by our licensees using the online credit card payment option compared to \$231,225.00 that was collected in September 2018. **Note:** Effective 08/15/2019 we converted to a new credit card payment vendor "JetPay" for all of our Point of Sale credit card transactions. There is a convenience fee for all credit card transactions that the credit card companies charge and under JetPay the fee for using a credit card is the greater of 2.3% or \$1. The fee will always be at least \$1 except for transactions over \$43.48 the fee will be 2.3 percent.

#### 2019 Totals



#### 2018 Totals



**2019 New Winery Shipper Licenses**

Month	Total Number
January	6
Februray	6
March	10
April	23
May	16
June	14
July	12
August	13
September	6
October	
November	
December	

**2018 New Winery Shipper Licenses**

Month	Total Number
January	17
Februray	36
March	37
April	25
May	17
June	18
July	9
August	14
September	20
October	16
November	12
December	27

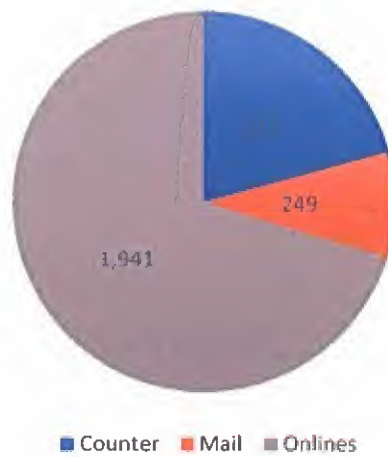


New Licenses Issued September 2019	
1A - RETAILER	151
1B - CATERER	3
1C- BREW PUB	2
1E-WINE MAKER'S RETAILER	1
1K- NBU < 500 GAL	2
1N- NBU <10,000 GAL	1
1O - NBU > 50,000 GAL	1
3C - BREWER	2
3F- 1ST CLASS WINE MAKER	1
3I - NR DEALER < 500,000	25
3U- WS NOT TO EXCEED 250,000	5
3W – WS 500,000 AND OVER	1
3Y - CLASS 1 BREWER	4
4D-TASTING REPRESENTATIVE	1
Total	200

New Licenses Issued August 2019	
1A - RETAILER	157
1B - CATERER	8
1C- BREW PUB	3
1E-WINE MAKER'S RETAILER	2
1L - NBU < 1000 GAL	1
1O - NBU > 50,000 GAL	2
1S- NBU<10K-NO FEE	1
1V- NBU<=50,000 GAL	2
2B - IMPORTING DISTRIBUTOR	5
2C - FOREIGN IMPORTING DISTRIB	2
2G - NOT TO EXCEED 4,500,000	6
3C - BREWER	4
3F- 1ST CLASS WINE MAKER	2
3I - NR DEALER < 500,000	24
3U - WS NOT TO EXCEED 250,000	12
3V- WS NOT TO EXCEED 500,000	1
3X- CRAFT DISTILLER	4
3Y - CLASS 1 BREWER	2
3Z- CLASS 2 BREWER	1
4C - SPECIAL USE PERMIT >= 2 D	1
5A - BASSET	3
Total	243

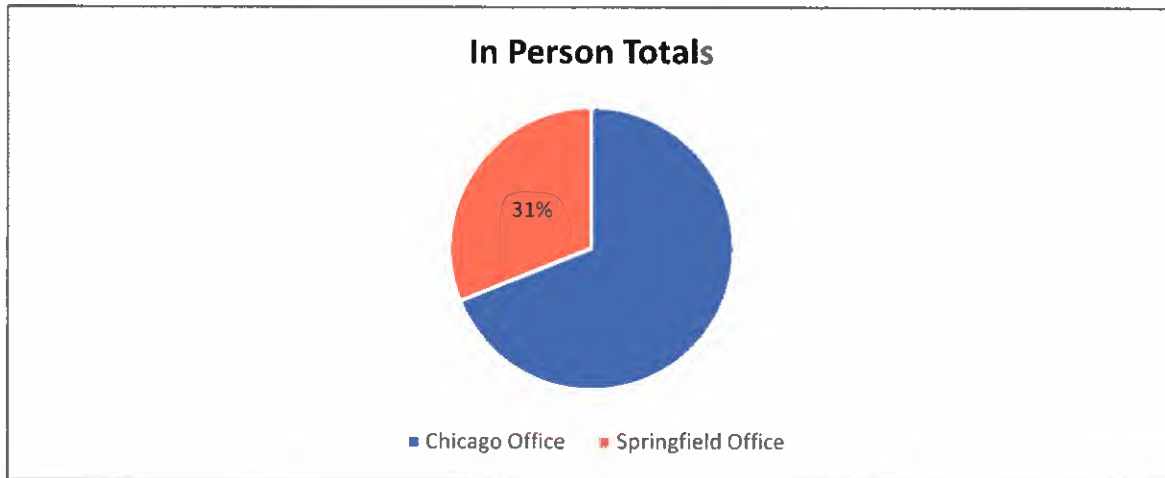
The below graph gives you an overview of how many licenses were issued from 09/01/2019-09/30/2019 in person, by mail and online.

### September Totals



The below graph reflects the total client population served annually at each location for **Fiscal Year 2019**  
**07/01/2019-06/30/2019.**

**Chicago Office -2267**  
**Springfield Office- 1023**



The below graph reflects the total client population served annually at each location for **Fiscal Year 2018**  
**07/01/2017-06/30/2018.**

**Chicago Office -4907**  
**Springfield Office- 1851**



License Type	Count
1A - RETAILER	23544
1B - CATERER	385
1C - BREW PUB	147
1E - WINE MAKER'S RETAILER	96
1F - RAILROAD	1
1G - BOAT	72
1H - AIRPLANE	37
1I - BROKER	1
1J - WINE MAKER RETAILER, 2ND	12
1K - NBU < 500 GAL	88
1L - NBU < 1000 GAL	46
1M - NBU < 5000 GAL	39
1N - NBU < 10,000 GAL	22
1O - NBU > 50,000 GAL	51
1P - NBU < 500 - NO FEE	27
1Q - NBU < 1K - NO FEE	12
1R - NBU < 5K - NO FEE	22
1S - NBU < 10K - NO FEE	9
1T - NBU < 50K - NO FEE	7
1U - WINE MAKER PREMISES - 3RD	2
1V - NBU <= 50,000 GAL	72
2B - IMPORTING DISTRIBUTOR	244
2C - FOREIGN IMPORTING DISTRIB	127
2E - 11,250,000 AND OVER	10
2F - NOT TO EXCEED 11,250,000	12
2G - NOT TO EXCEED 4,500,000	246
3A - DISTILLER	4
3B - RECTIFIER	5
3C - BREWER	134
3D - 1ST CLASS WINE MANUFACTUR	13
3E - 2ND CLASS WINE MANUFACTUR	3
3F - 1ST CLASS WINE MAKER	92
3G - 2ND CLASS WINE MAKER	4
3H - LIMITED WINE MANUFACTURER	8
3I - NR DEALER < 500,000	1904
3J - NR DEALER > 500,000	168
3U - WS NOT TO EXCEED 250,000	1463
3V - WS NOT TO EXCEED 500,000	37
3W - WS 500,000 AND OVER	75
3X - CRAFT DISTILLER	48
3Y - CLASS 1 BREWER	104
3Z - CLASS 2 BREWER	11
4A - SPECIAL EVENT RETAILER	33
4C - SPECIAL USE PERMIT >= 2 D	13
4D - TASTING REPRESENTATIVE	35
5A - BASSET	199
Totals	29684

# License Type and Source

ISSUED: 9/1/2019 - 9/30/2019  
SORTED BY: LICENSE TYPE



LICENSE TYPE	COUNTER	MAIL	EMAIL	FAX	ONLINE	N/A	TOTAL
1A - RETAILER	229	32	0	0	1,501	0	1,762
1B - CATERER	4	0	0	0	29	0	33
1C - BREW PUB	0	2	0	0	8	0	10
1D - AUCTION	5	0	0	0	1	0	6
1E - WINE MAKER'S RETAILER	2	0	0	0	5	0	7
1G - BOAT	0	0	0	0	4	0	4
1H - AIRPLANE	0	0	0	0	4	0	4
1J - WINE MAKER RETAILER, 2ND	0	0	0	0	1	0	1
1K - NBU < 500 GAL	0	2	0	0	0	0	2
1N - NBU < 10,000 GAL	0	1	0	0	0	0	1
1O - NBU > 50,000 GAL	0	3	0	0	0	0	3
2B - IMPORTING DISTRIBUTOR	1	1	0	0	13	0	15
2C - FOREIGN IMPORTING DISTRIB	0	1	0	0	6	0	7
2F - NOT TO EXCEED 11,250,000	0	0	0	0	2	0	2
2G - NOT TO EXCEED 4,500,000	0	0	0	0	11	0	11
3C - BREWER	1	1	0	0	11	0	13
3D - 1ST CLASS WINE MANUFACTUR	0	0	0	0	4	0	4
3F - 1ST CLASS WINE MAKER	1	0	0	0	6	0	7
3H - LIMITED WINE MANUFACTURER	0	0	0	0	2	0	2
3I - NR DEALER < 500,000	10	28	0	0	123	0	161
3J - NR DEALER > 500,000	0	0	0	0	15	0	15
3U - WS NOT TO EXCEED 250,000	1	18	0	0	88	0	107
3V - WS NOT TO EXCEED 500,000	0	0	0	0	1	0	1
<b>10/7/2019 2:07:39 PM</b>	<b>571</b>	<b>249</b>	<b>0</b>	<b>0</b>	<b>1,941</b>	<b>0</b>	<b>2,761</b>



LICENSE TYPE	COUNTER	MAIL	EMAIL	FAX	ONLINE	N/A	TOTAL
3W - WS 500,000 AND OVER	0	1	0	0	1	0	2
3X - CRAFT DISTILLER	0	0	0	0	4	0	4
3Y - CLASS 1 BREWER	2	2	0	0	7	0	11
3Z - CLASS 2 BREWER	0	0	0	0	2	0	2
4A - SPECIAL EVENT RETAILER	219	112	0	0	28	0	359
4B - SPECIAL USE PER - 1 DAY	54	34	0	0	31	0	119
4C - SPECIAL USE PERMIT >= 2 D	39	10	0	0	23	0	72
4D - TASTING REPRESENTATIVE	0	1	0	0	4	0	5
4E - HOMEBREW SPECIAL EVENT	3	0	0	0	0	0	3
4F - TEMPORARY RETAILERS EVENT	0	0	0	0	2	0	2
5A - BASSET	0	0	0	0	4	0	4

10/7/2019 2:07:39 PM	GRAND TOTALS:	571	249	0	1,941	0	2,761
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Liquor Control Commission					
SQR	Submitted	Title	Status as of 09/11/2019	Assigned To	Priority
32234	6/7/2019	LCC - HB2675 - Distiller Pub license, Class 1/Class 2 Distiller License, Warehouse Permit	ILP	dmarijan	1
32779	7/24/2019	Convert Credit Card Payment processing for online LCC renewals rom FORTE to JetPay	ILT	twomack	2
33076	9/4/2019	TAP - HB2675-TAP "online renewal for Distilling Pub Licenses/Class1/Class 2Craft Distiller	Assigned	bwebb	3
31660	03/28/2019	LCC - New & Renewed / Change Report File Automatically Posted to LCC Website	Assigned	twomack	4
20088	11/12/2015	LCC - Violation Payments - Payments Online	Work	bsolterman	5
23957	4/19/2017	LCC - Enhancements to Online Brand Registration Process/Functionality	Submitted	dmarijan	6
29699	7/18/2018	LCC - Legal Indicator phone number change	Assigned	twomack	7
32331	6/12/2019	LCC - Update Pre-Licensing Site Inspection Case doc	Assigned	bwebb	8
30974	12/14/2018	LCC - Modify LCCG88 Letter-OPM	Assigned	kwilliams	9
28301	01/01/2018	LCC - Summary of Inspection Letter - OPM***	Submitted	kwilliams	10

#### **32234: LCC - HB2675 - Distiller Pub license, Class 1/Class 2 Distiller License, Warehouse Permit**

HB2675- This bill seeks to provide craft distillers with parity with a Brewers (3C), Class 1 Brewers (3Y) and Class 2 Brewers (3C), the bill will separate the "craft distiller" 3X license to a Class 1 Distiller and 'Class 2 craft distiller:. This bill also creates a "distilling pub" license and a "craft distiller warehouse permit". Business rules are pending and will be attached to SQR in the upcoming days.

New license classes will be:

3A- existing license already in place "Distiller"- fee change will be- \$5,000 (new license, mail in, or in person) \$4,000- online

6Y license prefix for a Class 1 Brewer- \$75 (new license, mail in, or in person) \$50- online

6Z license prefix for a Class 2 Brewer- \$100 (new license, mail in, or in person) \$75- online

1X license prefix for a Distiller Pub- \$1,500(new license, mail in, or in person) \$1,200- online

We need to keep the license history for the 3X licenses which are now our craft distiller licenses but eventually those will be phased out. The licensing structure will be similar to the 3C, 3Y, 3Z and 1C license structure that is now in place for Brewers- the distiller structure will be:

3A(existing license)

6Y

6Z

1X

#### **32779: Convert credit card payment processing for online LCC renewals from FORTE to JefPay**

This SQR is for the modifications necessary to the credit card processing for the LCC renewals to use the new credit card vendor JetPay. With this new vendor, we have the ability to redirect to their site for the input of the credit card information.

#### **33076: TAP- HB2675- TAP "online" renewal for Distilling Pub License/Class 1/- Class 2 Craft Distiler**

Provide the availability for all those licensees who hold a 6X,6Y,1X and distiller warehouse permit license to be able to renew online their licenses online. These new license classes were created under SQR#32234- same rules/requirements for the online renewal.

#### **31660: LCC - New & Renewed / Change Report File Automatically Posted to LCC Website**

We would like to have the LCC License Change Report to be systematically generated and posted to the website.

<https://www2.illinois.gov/ilcc/All%20documents%20site%20wide/Divisions/Licensing/reissued.pdf>

*Updated 8/12/2019 to add:*

We would like to also have the New & Renewed file ran daily and automatically posted to the LCC Website ..

<https://www2.illinois.gov/ilcc/All%20documents%20site%20wide/Divisions/Licensing/newrenewed.pdf>

#### **20088: LCC - Violation Payments- Payments Online**

We would like for licensees to have the ability to pay their fines/violations online... also can Gentax systematically direct to a specific case these payments- the payment right now just posts- licensees cannot pay fines online right now.

#### **23957: LCC - Enhancements to Online Brand Registration Process/Functionality**

We would like to make some changes/updates to the online brand registration process- one enhancement would be to allow multiple registrations in one entry- licensee can enter several registrations in one entry instead of just doing one single registration at one time submitting that entry and then going back in and entering another entry.

#### **29699: LCC - Legal Indicator phone number change**

We are needing the phone # changed on the LCC Legal Indicator. Currently it has 312-814-2604. Must be changed to 312-814-2206 or 217-782-2136

### **32331: LCC - Update Pre-Licensing Site Inspection Case doc**

Due to the impending passage of HB2675, the current Craft Distiller license will be split into class 1 craft distiller and class 2 craft distiller. The bill also creates the distilling pub. As a result, we need to update the PLI case doc and tab headers. While updating the doc, we would like to add a couple of fields on a few of the tabs. I have attached updated "paper" versions of the different "tabs." The form title should match the tab header title.

### **30974: LCC - Modify LCCGBB letter\_OPM\_1**

Our current letter template has the signature of an employee that is no longer employed by IDOR/ILCC. We need to modify that signature block and a few minor tweaks with the letter.

We would like to make the signature block more generic to eliminate or greatly reduce the modification of this letter when personnel change. We would request that the title header of the letter ("Underage Compliance") be modified to "Underage Compliance Check - PASS"). We would also request that the phrase in bold type in the first paragraph ("... refused to sell alcoholic beverages to a minor ...") be put in all caps. We are looking for ways to make it stand out to the licensee that they successfully passed an underage compliance check.

### **28301: LCC - Summary of Inspection letter OPM\_1**

In an effort to go paperless with our inspections, we need to have an electronic method of notification for our licensees. We currently have an option to export our closed cases to a pdf ("LCC Case Export"). That document would be a good start for this letter. I have attached a clean version and a marked up version of that pdf to this SQR.

In order to provide the licensee with a copy of the inspection report, we would like this letter to be generated and published to their MyTax account. Then, MyTax would send them a notification email that they have a Liquor Inspection available for review. We would NOT want the inspection report sent directly to the email(s) on file; however, we would like the email to be sent to all emails associated with the MyTax login(s) AND the email listed on the LCC contact in GenTax.

### **29824: LCC - Licensing Hold Indicator Customer Level**

We would like to have the LCC Licensing Hold Indicator available at the Customer Level. This will allow our office to flag any new applications for the staff to pay attention to if Legal/Investigations/Licensing have items to watch for.

### **29699: LCC - Legal Indicator phone number change**

We are needing the phone # changed on the LCC Legal Indicator. Currently it has 312-814-2604. Must be changed to 312-814-2206 or 217-782-2136

### **23953: LCC - Option for New Applicants to "Apply Online" for a New Liquor License**

We would like to provide an option for new applicants to apply for a New Liquor License online using their MyTAX Illinois account. We would like to provide this option for all of our ILCC Licensing Categories.



J.B. Pritzker, Governor  
Donald O'Connell, Acting Chairman  
Chimaobi Enyia, Executive Director

100 West Randolph Street, Suite 7-801, Chicago, IL 60601  
300 West Jefferson Street, Suite 300, Springfield, IL 62702

## MEMORANDUM

**TO:** Chimaobi Enyia, Executive Director  
**FROM:** Lee Roupas, BASSET Manager  
**DATE:** October 8, 2019  
**SUBJECT:** Industry Education Monthly Report – (September 2019)

### ACCOMPLISHMENTS

Conducted a BASSET class in Lockport (30 students).

Gave a school presentation at Bernotas Middle School in Crystal Lake (70 Students).

The 11<sup>th</sup> Annual College Town Summit is scheduled for **November 14 from 10:00am-3:30pm** at the **University of Illinois Champaign/Urbana, Student Dining and Residential Programs Building (SDRP), 301 E. Gregory Drive, Champaign, IL 61820.**

### PROBLEMS

### STATISTICS

- Total number of BASSET trainees this month were 7,265.
- Total number trained to date is 85,476
- Total in BASSET look up – 284,076.

### NOTES:

Attachments





# Illinois Liquor Control Commission

Governor JB Pritzker  
Donald O'Connell, Acting Chairman  
Chimaobi Enyia, Executive Director

100 West Randolph Street, Suite 7-801, Chicago, IL 60601  
300 West Jefferson Street, Suite 300, Springfield, IL 62702

## MEMORANDUM

**TO:** Chimaobi Enyia, Executive Director

**FROM:** Pam Paziotopoulos, General Counsel

**DATE:** October 7, 2019

**SUBJECT:** Legal Monthly Report

### ACCOMPLISHMENTS

#### **DISPOSITIONS:**

During the month of September 2019, we disposed of 49 cases which had been assigned to our legal division. This includes cases which had Pre-Disciplinary Conferences and Sale of Alcohol to Minor hearings.

#### **PRE-DISCIPLINARY CONFERENCES:**

We held 8 pre-disciplinary conferences in September 2019. PDCs will be held in Chicago and Springfield, October 29<sup>th</sup> and 30<sup>th</sup>.

#### **SALE OF ALCOHOL TO MINORS:**

We held a total of zero Sale of Alcohol to Minor Settlement Conferences during September 2019. SAMs will be held in Chicago and Springfield, October 29<sup>th</sup> and 30<sup>th</sup>. There are two cases which require a hearing. We are waiting on the Commissioners regarding scheduling those cases.

#### **LEGAL HANDBOOK:**

We are in the process of final formatting for our legal section of the handbook.

#### **APPEALS:**

We resolved two appeals cases during the month of September 2019. Additionally, we held the first Appeals Status Hearing date. The Status Hearings were successful. We were able to schedule two appeals for hearing in October (October 2, 2019 and October 16, 2019). We will hold another status hearing on October 16, 2019. We hope to be able to schedule several more hearings at that date.

#### **LEGAL RESEARCH:**

We continue to assist the Attorney General's office in the Lebamoff case.

#### **TECHNICAL ASSISTANCE:**

We respond to an average of 20 technical assistance inquiries per day. These arrive via phone call, e-mail, and the website. Depending on the nature of the inquiry we will provide the legal information regarding the law including statutory citation. When possible, we will e-mail a response. Many of these calls can take 10 minutes or more to resolve as they involve interpreting law and facts. We also provide guidance to the Licensing Division regarding legal issues that arise in this arena.

#### **REFER TO LEGAL:**

We have made significant progress in resolving outstanding refer to legal cases. There are currently 104 legal cases open. Of these cases, there are nine cases designated as high cases. There are 94 designated as medium cases. The medium cases include 40 scheduled SAM cases and 18 scheduled PDCs. Due to the low case load of SAM and PDC cases, we pushed back holding SAM settlement conferences and PDCs until October.

#### **FOIA:**

With our separation from the Department of Revenue, the Legal Division has been processing and responding to Freedom of Information Act requests. During September 2019, we responded to 18 FOIA requests.

#### **PROBLEMS**

We are short staffed. With additional staff we could resolve additional cases and begin the process of converting the Trade Practice Protocols into Rules and drafting the appropriate legislation to amend the Liquor Control Act.

#### **STATISTICS**

September case closures: 49  
Open SAM cases: 42  
SAM cases scheduled: 40  
Open Refer to Legal Cases: 104  
PDCs scheduled: 18  
FOIA requests: 18

Pending Appeals Docket:

Case #	Licensee Name	Locality Name	Date of Filing	Hearing Date	Hearing Type	Next Activity
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<b>18CA07</b>	Duffy & Associates	Decatur	3/19/2018	-	On the Record	Hearing to be held on October 16, 2019
<b>19CA02</b>	Stretch's Sports Bar and Grill	Waukegan	8/16/2018	-	On the Record	Awaiting documents from the parties
<b>19APP07</b>	GWINN'S	CARLINVILLE	2/20/2019	1/0/1900	On the Record	Awaiting documents from the parties
<b>19APP08</b>	Kelli's Cuckoo's Nest	Cary	4/9/2019	-	On the Record	Need to set for hearing (Chicago)
<b>19APP10</b>	Kris Brower, Timothy Dewald, Bruce Freeland, Cindy Huseman, Michael Wheatley v. Sunset Overlook LLC	Columbia	6/14/2019	-	-	Awaiting documents from the parties
<b>19APP11</b>	Glogovsky Real Estate LLC--Series 12610 Rockland dba Scooters	Lake County	7/15/2019	-	-	Awaiting documents from the parties
<b>19APP12</b>	T & G Enterprises I, LLC dba Tailgaters Pub Olympia Group, LLC dba Encore or Billboard or V-Live	LeRoy	7/18/2019	-	-	Awaiting documents from the parties
<b>19APP13</b>		Markham	8/29/2019	-	-	Awaiting documents form the parties

## Tax - ILCC Administrative Law Judge Cases

Taxpayer Name		Citation #	Hearing Date	Continuance			Recommendation	Result	Date Resolved	ILCC Action Needed	
Street Address	City, State & Zipcode			(Date Scheduled)	Default	Stay Until					
Yash Hari Om, Inc 101 S. Walnut St Apt 1 Taylorville, IL 62568		Citation#0017	10/03/2019		No		Revoke License (Effective Immediately)			Yes	





**Illinois Department of Revenue  
OFFICE OF ADMINISTRATIVE HEARINGS**  
Willard Ice Building  
101 West Jefferson Street, 5-550  
Springfield, Illinois 62702  
217/782-6995

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**IN THE CITATION MATTER OF:**

**YASH HARI OM, INC.  
1<sup>ST</sup> CLASS LIQUOR  
101 S. WALNUT ST. APT. 1  
TAYLORVILLE, IL 62568-2492  
LICENSEE**

**Citation Number: 20-SR-0017**

**License Number: 1A-1126212**

**Linda Olivero  
Administrative Law Judge**

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**PROPOSAL FOR DECISION**

**Appearances:**

Louis Lee Auxier, appeared on behalf of the Illinois Department of Revenue; Owner Krunal Patel appeared on behalf of the Licensee.

**Synopsis:**

The matter was heard on October 3, 2019 in Springfield, Illinois. Following the submission of all evidence, I find that the Licensee has violated 235 ILCS 5/6-3 of the Illinois Liquor Control Act and recommend the revocation of the liquor license. In support thereof, the following "Findings of Fact" and "Conclusions of Law" are made.

**Findings of Fact:**

1. The Department of Revenue's (Department) representative testified that the Licensee failed to pay Sales/Use Tax for the periods of May and June 2019 in the aggregate amount of \$6,032.71.

2. The Department's testimony was corroborated by a "Taxpayer Statement" – admitted into evidence as a business record kept in the normal course of the Department's business. *Department Exhibit 1.*
3. Licensee did not dispute the charges contained in the Taxpayer Statement or Department's testimony.
4. Licensee has had 87 insufficient funds payments and has been cited to appear for tax violations on three previous occasions. The Licensee has also defaulted twice on a previous payment plan.

**Conclusions of Law:**

Section 6-3 of the Illinois Liquor Control Act states:

- (a) In addition to other grounds specified in this Act, the State Commission or the local liquor control commissioner, on complaint of the Department, shall refuse the issuance or renewal of a license, or suspend or revoke the license, of any person, for any of the following violations of any tax Act administered by the Department:
  1. Failure to make a tax return.
  2. The filing of a fraudulent return.
  3. Failure to pay all or part of any tax or penalty finally determined to be due.
  4. Failure to keep books and records.
  5. Failure to secure and display a certificate or sub-certificates of registration, if required.
  6. Willful violation of any rule or regulation of the Department relating to the administration and enforcement of tax liability.
- (b) Upon receiving notice from the Department that a violation of any of items 1 through 6 of subsection (a) have been corrected or otherwise resolved to the Department's satisfaction, the Commission may vacate an Order of Revocation.

235 ILCS 5/6-3.

Under the mandate of the Illinois Liquor Control Act, the Commission shall "refuse the issuance or renewal of a license, or suspend or **revoke** the license," if a Licensee fails to pay "any tax" or "make a tax return." *235 ILCS 5/6-3 (emphasis added).* On the basis of the testimony of the Department representative which was corroborated by documentary evidence, the Licensee failed "to pay all or part of any tax or penalty finally determined to be due" by the Department. *235 ILCS 5/6-3(a)(3).* The Licensee did not offer evidence to contest the charges of the Department which leads me to conclude that the Department did not err in the assessment of liability. The Licensee is found to have committed violations of Section 6-3 of the Liquor Control Act.

Licensee has had 87 insufficient funds payments and has been cited to appear for tax violations on three previous occasions. The Licensee has also defaulted twice on a previous payment plan.

For the reasons stated herein and under the authority of the Illinois Liquor Control Act, it is recommended the license be REVOKED EFFECTIVE IMMEDIATELY. Should the Licensee come into compliance after the service of this order, the Order of Revocation shall be vacated in accordance with 235 ILCS 5/6-3(b) of the Act.

**Proposed: October 3, 2019**

*/s/ Linda Olivero*

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Linda Olivero  
Administrative Law Judge



**Illinois Department of Revenue  
OFFICE OF ADMINISTRATIVE HEARINGS  
Willard Ice Building  
101 West Jefferson Street, 5-550  
Springfield, Illinois 62702  
217/782-6995**

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**ADMINISTRATIVE LAW JUDGE PROPOSAL FOR DECISION TO THE  
ILLINOIS LIQUOR CONTROL COMMISSION**

**For Hearings Held on October 3, 2019**

**DEFAULT RECOMMENDATIONS**

The matters referenced herein having come to be heard upon a citation with notice of hearing provided via certified mail to the Licensee, the administrative law judge being fully informed does hereby make the following Proposal:

**Default Judgment Recommendations - Tax Cases – Violations of 235 ILCS 5/6-3**

20-SR-0012  
1A-0046100  
Ethel's  
620 Broadway, Highland, IL 62249-1826

20-SR-0014  
1A-0104055  
Pups 212 Bar, Inc.  
212 E. Main St., West Frankfort, IL 62896-2406

20-SR-0023  
1A-1141115  
ZX Express, LLC  
2447 Bond Ave., E. St. Louis, IL 62207-1824

Due to licensees' failure to appear at the hearing, notice having been given, I recommend that the Commission **REVOKE** the referenced licenses on the facts alleged in the Citations and Notices of Hearing **effective immediately** upon affirmative vote of the Commission.

**October 3, 2019**

*/s/ Linda Olivero*

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**Linda Olivero  
Administrative Law Judge**